

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the April 15, 2011 regular board meeting. This is provided in summary form; an official record of the meeting is available in the permanent records of the Governor's Office of Agricultural Policy (GOAP), 404 Ann Street, Frankfort, KY 40601

**Kentucky Agricultural Development Board
Summary Minutes of the Business Meeting
Kentucky State University Center for Sustainability of
Farms and Families
Frankfort, KY
April 15, 2011**

Call to Order

Mac Stone, designee for Commissioner Farmer, presiding, called the Kentucky Agricultural Development Board meeting to order at 1:00 p.m. (EDT).

Roll Call

The following members were present: Mac Stone; Karen Curtis; Rodney Dick; Don Goodin (designee for Secretary Larry Hayes); Pat Henderson; Wayne Hunt; Sam Lawson; Jim Mahan; Wayne Mattingly; Sam Moore; Troy Rankin; Dr. Kimberly Holmes (designee for President Mary Sias); Jim Sidebottom; Dean Scott Smith; Vicki-Yates Brown.

Notification of Media

Mr. Stone received verification that the media had been notified of the Kentucky Agricultural Development Board (KADB) monthly meeting.

Welcome

Mr. Stone welcomed everyone to the meeting and gave an update on the Kentucky Department of Agriculture (KDA) events and activities.

Approval of Minutes

Dean Scott Smith moved to approve the minutes of the March 18, 2011 meeting as presented; Jim Sidebottom seconded the motion.

Vote: Motion Passed; Unanimous.

Executive Director's Report

Mr. Stone called on Roger Thomas to give the Executive Director's Report.

Mr. Thomas welcomed the board and guests.

Mr. Thomas reported on meetings and events staff in the Governor's Office of Agricultural Policy (GOAP) had attended since the March 18, 2011 KADB meeting.

Mr. Thomas asked Dean Smith to talk about the ribbon cutting ceremony for the University of Kentucky Veterinary Diagnostic Laboratory that will take place in conjunction with next month's KADB meeting. Dean Smith informed the board that the ribbon cutting ceremony will take place on the grounds of the new University of Kentucky Veterinary Diagnostic Laboratory at 1490 Bull Lea Road, Lexington, Kentucky. The ceremony is scheduled to begin at 11:30 a.m. (EDT) on May 20, 2011 and RSVP is not needed.

Mr. Thomas asked Angela Blank to give an update on the KADF Forums. Ms. Blank announced the locations for the upcoming KADF Forums and encouraged board members to attend those in their area.

Mr. Thomas discussed the working agenda for the KADF Forums. A press release regarding the upcoming forums will be sent out Monday, April 18, 2011 announcing the locations for the meetings.

Mr. Thomas called on Bill McCloskey to report on the financial position of the Kentucky Agricultural Finance Corporation (KAFC) as of March 31, 2011.
Rodney Dick moved to accept the regular KAFC monthly report; Don Goodin seconded that motion.

Vote: Motion Passed; Unanimous.

Mr. Thomas asked John McCauley to give an update on behalf of the Farm Service Agency (FSA). Mr. McCauley discussed the current financial situation with the FSA and said he expected the United State Department of Agriculture to take some serious financial cuts between now and September 30, 2011.

Committee Reports

Committee representatives Wayne Hunt, Sam Lawson and Mr. Dick spoke on behalf of their committees regarding the discussion in the committee meetings held earlier in the day.

New Project Applications for Referral

Mr. Stone referenced the following applications for referral:

A2011-0028 Hopkinsville Elevator Co., Inc.

A2011-0029 South East Bio-Fuels L.L.C.

A2011-0030 Bracken County Agriculture Advancement Council, Inc.

A2011-0033 Tim and Wanda Quiggins

A2011-0034 Franklin County High School (FCHS) Agriculture Department/FCHS FFA

A2011-0039 Shelby Area Rural Conservation, Inc.

Mr. Goodin moved to refer the submitted applications; Mr. Dick seconded the motion.

Vote: Motion Passed; Unanimous.

Program Recommendations

Mr. Stone referenced for the Board's consideration four (4) County Agricultural Investment Program (CAIP) applications requesting county funds totaling \$253,027; one (1) Deceased Farm Animal Disposal Assistance Program (DAR) application requesting county funds totaling \$7,500 and one (1) Shared-use Equipment application requesting county funds totaling \$10,736. **Mr. Hunt moved for the approval of the submitted program recommendations as presented; Sam Moore seconded the motion.**

Vote: Motion Passed; Unanimous.

Program Amendments

Mr. Stone referenced for the Board's consideration one (1) County Agricultural Investment Program (CAIP) amendment requesting county funds totaling \$29,400. **Jim Sidebottom moved for the approval of the submitted amendment as presented; Jim Mahan seconded the motion.**

Vote: Motion Passed; Unanimous.

Memo Action Items

Mike Tobin presented a memorandum regarding the Deceased Farm Animal Disposal Assistance Program. At the April 16, 2010 meeting of the KADB the Deceased Farm Animal Disposal Assistance Program (DAR) was approved for fiscal year July 1, 2010 to June 30, 2011. This allowed counties that met specific program guidelines to allocate up to \$7,500 in County funds, not to exceed 25% of a total project budget, toward a comprehensive fallen animal disposal program for their area. To date, 59 counties have participated in the DAR program. A total of \$325,297 of County KADFs have been allocated for an average of \$5,513.51. Staff recommends continuing the DAR program for another fiscal year, beginning July 1, 2011 and ending on June 30, 2012.

Mr. Mahan moved to approve the staff recommendation; Troy Rankin seconded the motion.

Karen Curtis left the meeting due to a prior commitment.

Recommendations for Funding

Christi Marksbury presented A2011-0011, Meade County Riverport Authority. The Meade County Riverport Authority is requesting \$1,375,000 in State funds to construct a regional port facility in Meade County along the Ohio River. The focus of the project is to establish a regional port facility for area producers to market their grain. The port will provide many farmers

with access to a local terminal for their grain and will save producers an average of 12 to 15 cents savings per bushel by reducing their time and travel to other ports in the Commonwealth. Consolidated Grain & Barge has agreed to be the Stevedore for the port. Consolidated Grain & Barge estimates that five to six million bushels of grain will initially be hauled and shipped from the facility. Consolidated Grain & Barge has expertise in developing a "value-added" system that has created end user loyalty for grain production and has allowed premiums to be paid to participating producers. Consolidated Grain & Barge also has the capability of separating specialty grains for export, loading commodities, storage of multiple commodities, and loading commodities onto barges. The Meade County Riverport Authority and Consolidated Grain & Barge have a ten year agreement with three (3) year renewals. The total cost of the project is \$6,072,225. Matching funds will be project financing from the Meade County Fiscal Court in the amount of \$4,000,000 in bonds and income generated from the stevedore agreement with Consolidated Grain & Barge in the amount of \$110,000 annually. At the Application Review Committee meeting on March 30, 2011, the applicant requested an additional \$625,000 in State funds to ensure the project would be completed to the fullest extent. These funds would help to cover a small portion of the erection/construction costs of the grain handling equipment. The Application Review Committee recommends funding this request for \$2,000,000 in Kentucky Agricultural Development Funds.

Pat Henderson moved to approve the committee recommendation and to remove the mortgage stipulation in term 6; Mr. Lawson seconded the motion.

Vote: Motion passed; Unanimous.

Ms. Marksbury presented A2011-0013, Western Kentucky University Department of Agriculture. Western Kentucky University Department of Agriculture is requesting \$5,000 in State funds to establish a working apiary at the Western Kentucky University Farm. The Application Review Committee recommends funding this request up to \$5,000 in State funds.

Wayne Mattingly moved to approve the committee recommendation; Mr. Rankin seconded the motion.

Vote: Motion passed; Vicki Yates-Brown, Dr. Kimberly Holmes, Mr. Mahan and Dean Smith dissented.

Mr. Tobin presented A2011-0018, Eastern Kentucky University. Eastern Kentucky University is requesting \$44,130 in State funds and \$1,000 in County funds for a total of \$45,130 to assess queen bee production and nutrition using royal jelly in the Letcher County region of Kentucky. The Application Review Committee recommends funding this request in the

amount of \$44,130 in State funds, \$500 in Perry County funds and \$500 in Letcher County funds for a total allocation of \$45,130.

**Rodney Dick moved to approve the committee recommendation;
Sam Moore seconded the motion.**

**Vote: Motion passed; Dr. Holmes, Mr. Mahan and Dean Smith
dissented.**

Jennifer Hudnall presented A2011-0019, Jessamine County FFA Alumni Association Inc. The Jessamine County FFA Alumni Association, Inc. is requesting \$8,000 in Jessamine County funds for a youth 4-H/FFA project cost-share program. The Application Review Committee recommends funding this request for \$8,000 in Jessamine County funds.

**Mr. Henderson moved to approve the committee recommendation;
Mr. Dick seconded the motion.**

Vote: Motion passed; Unanimous

Ms. Hudnall presented A2011-0020, Jessamine County Fiscal Court. Jessamine County Fiscal Court is requesting \$40,000 in Jessamine County funds to construct a covered livestock arena on the Jessamine County Fairgrounds. The Application Review Committee recommends funding this request of \$40,000 in Jessamine County funds to construct a covered livestock arena on the Jessamine County Fairgrounds.

**Mr. Mahan moved to approve the committee recommendation; Mr.
Rankin seconded the motion.**

Vote: Motion passed; Unanimous

Mr. Hunt made a motion to go into closed session pursuant to KRS 61.810(1)(c) to discuss proposed litigation/settlement regarding Kentucky Agricultural Development Board project Lake Cumberland Milling. Mr. Rankin seconded the motion.

The Board went into closed session at 2:20 p.m. (EDT).

The Board came out of closed session at 2:25 p.m. (EDT).

Mr. Hunt made a motion to come out of closed session. Mr. Mahan seconded the motion. The Chair noted that no motions or actions were made or taken during closed session.

Closing Remarks

Mr. Mahan moved to adjourn; Mr. Hunt seconded the motion.

Vote: Motion Passed; Unanimous

The meeting adjourned at 2:30 p.m. (EDT)

Presiding Officer:

Mac Stone

Secretary:

Amada Parker

Appendix A: New Applications for Referral

App #	Applicant	Request Type	Submitted
A2011-0028	Hopkinsville Elevator Co., Inc.	Project	3/18/2011
A2011-0029	South East Bio-Fuels L.L.C.	Project	3/22/2011
A2011-0030	Bracken County Agriculture Advancement Council, Inc.	Project	3/22/2011
A2011-0033	Tim and Wanda Quiggins	Project	3/22/2011
A2011-0034	Franklin County High School (FCHS) Agriculture Department/FCHS FFA	Project	3/25/2011
A2011-0039	Shelby Area Rural Conservation, Inc.	Project	3/25/2011

Appendix B: Program Lists**CAIP**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2011-0027	Trigg County Soil Conservation District	Trigg	\$105,000.00
A2011-0031	Magoffin County Agriculture Investment Program Incorporated	Magoffin	\$108,133.00
A2011-0032	Mountain Cattlemen's Association	Perry	\$9,894.00
A2011-0037	Garrard County Farm Bureau, Inc.	Garrard	\$30,000.00
			<u>\$253,027.00</u>

Deceased Farm Animal Disposal Assistance Program

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2011-0035	Lincoln County Fiscal Court	Lincoln	\$7,500.00
			<u>\$7,500.00</u>

Shared-use Equipment

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2011-0038	Mercer County Conservation District	Mercer	\$10,736.00
			<u>\$10,736.00</u>

Total County Funds Recommended for Approval in Programs: **\$271,263.00**

Appendix C: Requested Program Amendments

App #	A2010-0085
Applicant Name	Robertson County Soil Conservation District
Original Amount Approved	\$258,400.00
Original Approval Date	8/20/10
Requested Change	The applicant requests an <u>additional</u> \$29,400.00 for the CAIP. The request received a <u>high</u> priority from the Robertson County Council. The term of the program shall remain 12-months from the execution date of the original agreement. Approval of this request would bring the program total to \$287,800.00.
Recommendation	Approval
